

111TH CONGRESS
2D SESSION

H. R. 6455

To amend the Internal Revenue Code of 1986 to permanently extend the American opportunity tax credit increases made to the Hope Scholarship Credit.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 29, 2010

Mr. FATTAH introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to permanently extend the American opportunity tax credit increases made to the Hope Scholarship Credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American Opportunity
5 Tax Credit Extension Act of 2010”.

6 **SEC. 2. INCREASES IN HOPE SCHOLARSHIP CREDIT MADE**
7 **PERMANENT.**

8 (a) IN GENERAL.—Subparagraphs (A) and (B) of
9 section 25A(b)(1) of the Internal Revenue Code of 1986

1 (relating to Hope Scholarship Credit) are amended to read
2 as follows:

3 “(A) 100 percent of so much of the quali-
4 fied tuition and related expenses paid by the
5 taxpayer during the taxable year (for education
6 furnished to the eligible student during any
7 academic period beginning in such taxable year)
8 as does not exceed \$2,000, plus

9 “(B) 25 percent of such expenses so paid
10 as exceeds \$2,000 but does not exceed the ap-
11 plicable limit.”.

12 (b) CREDIT ALLOWED FOR FIRST 4 YEARS OF POST-
13 SECONDARY EDUCATION.—Subparagraphs (A) and (C) of
14 section 25A(b)(2) of such Code are amended by striking
15 “2” each place it appears and inserting “4”.

16 (c) QUALIFIED TUITION AND RELATED EXPENSES
17 TO INCLUDE REQUIRED COURSE MATERIALS.—Subpara-
18 graph (A) of section 25A(f)(1) of such Code is amended
19 by striking “and fees” and inserting “, fees, and course
20 materials”.

21 (d) INCREASE IN AGI LIMITS.—

22 (1) IN GENERAL.—Paragraph (2) of section
23 25A(d) of such Code is amended to read as follows:

24 “(2) AMOUNT OF REDUCTION.—

1 “(A) HOPE SCHOLARSHIP CREDIT.—In the
2 case of the Hope Scholarship Credit, the
3 amount determined under this paragraph is the
4 amount which bears the same ratio to the credit
5 which would be determined under subsection
6 (a)(1) (without regard to this subsection) as—

7 “(i) the excess of—

8 “(I) the taxpayer’s modified ad-
9 justed gross income for such taxable
10 year, over

11 “(II) \$80,000 (\$160,000 in the
12 case of a joint return), bears to

13 “(ii) \$10,000 (\$20,000 in the case of
14 a joint return).

15 “(B) LIFETIME LEARNING CREDIT.—In
16 the case of the Lifetime Learning Credit, the
17 amount determined under this paragraph is the
18 amount which bears the same ratio to the credit
19 which would be determined under subsection
20 (a)(2) (without regard to this subsection) as—

21 “(i) the excess of—

22 “(I) the taxpayer’s modified ad-
23 justed gross income for such taxable
24 year, over

1 “(II) \$40,000 (\$80,000 in the
 2 case of a joint return), bears to
 3 “(ii) \$10,000 (\$20,000 in the case of
 4 a joint return).”.

5 (2) CONFORMING AMENDMENTS TO INFLATION
 6 ADJUSTMENTS.—

7 (A) AMOUNT OF CREDIT.—Subparagraph
 8 (A) of section 25A(h)(1) of such Code is
 9 amended—

10 (i) by striking “2001” and inserting
 11 “2010”,

12 (ii) by striking “calendar year 2000”
 13 and inserting “calendar year 2009”, and

14 (iii) by striking “\$1,000” and insert-
 15 ing “\$2,000”.

16 (B) INCOME LIMITS.—

17 (i) Paragraph (2) of section 25A(h) of
 18 such Code is amended by redesignating
 19 subparagraphs (A) and (B) as subpara-
 20 graphs (B) and (C), respectively, and by
 21 inserting before subparagraph (B) (as so
 22 redesignated) the following new subpara-
 23 graph:

24 “(A) HOPE SCHOLARSHIP CREDIT.—In the
 25 case of a taxable year beginning after 2010, the

1 \$80,000 and \$160,000 amounts in subsection
 2 (d)(2)(A) shall each be increased by an amount
 3 equal to—

4 “(i) such dollar amount, multiplied by

5 “(ii) the cost-of-living adjustment de-
 6 termined under section 1(f)(3) for the cal-
 7 endar year in which the taxable year be-
 8 gins, determined by substituting ‘calendar
 9 year 2009’ for ‘calendar year 1992’ in sub-
 10 paragraph (B) thereof.”.

11 (ii) Subparagraph (B) of section
 12 25A(h)(2) of such Code, as redesignated
 13 by clause (i), is amended—

14 (I) by striking “IN GENERAL” in
 15 the heading and inserting “LIFETIME
 16 LEARNING CREDIT”, and

17 (II) by striking “subsection
 18 (d)(2)” and inserting “subsection
 19 (d)(2)(B)”.

20 (C) ROUNDING.—Subparagraph (C) of sec-
 21 tion 25A(h)(2) of such Code, as redesignated by
 22 subparagraph (B)(i), is amended by inserting
 23 “or (B)” after “subparagraph (A)”.

24 (e) CREDIT ALLOWED AGAINST MINIMUM TAX,
 25 ETC.—

1 (1) IN GENERAL.—Subsection (i) of section
2 25A of such Code is amended by striking para-
3 graphs (1), (2), (3), (4), and (7) and by redesign-
4 nating paragraphs (5) and (6) as paragraphs (1)
5 and (2), respectively.

6 (2) Paragraph (2) of section 25A(i) of such
7 Code, as redesignated by paragraph (1), is amend-
8 ed—

9 (A) by striking “paragraph (4)” and in-
10 serting “subsection (d)”, and

11 (B) by striking “paragraph (5)” and in-
12 serting “paragraph (1)”.

13 (3) The heading for such subsection (i) is
14 amended to read as follows:

15 “(i) HOPE SCHOLARSHIP CREDIT ALLOWED
16 AGAINST MINIMUM TAX; PORTION OF CREDIT MADE RE-
17 FUNDABLE.—”.

18 (f) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2010.

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